

**99TH GENERAL ASSEMBLY****State of Illinois****2015 and 2016****SB0006**

Introduced 1/15/2015, by Sen. Heather A. Steans

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-43
30 ILCS 105/6z-51
30 ILCS 122/15
30 ILCS 122/20

Amends the State Finance Act. Provides that transfers from the Tobacco Settlement Recovery Fund to the Budget Stabilization Fund shall cease upon the first transfer of moneys into the Budget Stabilization Fund under the provisions of the amendatory Act. Amends the Budget Stabilization Act. Provides that the Department on Aging and the Departments of Central Management Services, Healthcare and Family Services, Human Services, and Revenue shall annually certify to the State Comptroller the amounts of insufficient appropriations and individual and corporate income tax overpayments that will not be refunded in the current fiscal year. Provides that the State Comptroller shall annually report to the Governor and the General Assembly the amounts certified by the Department on Aging and the Departments of Central Management Services, Healthcare and Family Services, Human Services, and Revenue. Provides for minimum funding levels to be maintained in the Budget Stabilization Fund, and for the transfer of specified amounts to the Budget Stabilization Fund, if minimum funding levels are not maintained. Provides that no further transfers to the Fund shall be made, if the balance of the Budget Stabilization fund equals 5% of the total general funds, and if the Comptroller ceases the order of further funds upon written notice to the specified parties. Provides that the General Assembly may authorize the transfer of additional amounts to the Budget Stabilization Fund after the Governor certifies a shortfall in the moneys otherwise available in the Fund. Provides that required transfers into the Pension Stabilization Fund, shall continue (currently, the transfers end in FY14) and increases the amount of those transfers by 1%. Effective immediately.

LRB099 04202 SXM 24224 b

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by changing
5 Sections 6z-43 and 6z-51 as follows:

6 (30 ILCS 105/6z-43)

7 Sec. 6z-43. Tobacco Settlement Recovery Fund.

8 (a) There is created in the State Treasury a special fund
9 to be known as the Tobacco Settlement Recovery Fund, which
10 shall contain 3 accounts: (i) the General Account, (ii) the
11 Tobacco Settlement Bond Proceeds Account and (iii) the Tobacco
12 Settlement Residual Account. There shall be deposited into the
13 several accounts of the Tobacco Settlement Recovery Fund and
14 the Attorney General Tobacco Fund all monies paid to the State
15 pursuant to (1) the Master Settlement Agreement entered in the
16 case of People of the State of Illinois v. Philip Morris, et
17 al. (Circuit Court of Cook County, No. 96-L13146) and (2) any
18 settlement with or judgment against any tobacco product
19 manufacturer other than one participating in the Master
20 Settlement Agreement in satisfaction of any released claim as
21 defined in the Master Settlement Agreement, as well as any
22 other monies as provided by law. Moneys shall be deposited into
23 the Tobacco Settlement Bond Proceeds Account and the Tobacco

1 Settlement Residual Account as provided by the terms of the
2 Railsplitter Tobacco Settlement Authority Act, provided that
3 an annual amount not less than \$2,500,000, subject to
4 appropriation, shall be deposited into the Attorney General
5 Tobacco Fund for use only by the Attorney General's office. The
6 scheduled \$2,500,000 deposit into the Tobacco Settlement
7 Residual Account for fiscal year 2011 should be transferred to
8 the Attorney General Tobacco Fund in fiscal year 2012 as soon
9 as this fund has been established. All other moneys available
10 to be deposited into the Tobacco Settlement Recovery Fund shall
11 be deposited into the General Account. An investment made from
12 moneys credited to a specific account constitutes part of that
13 account and such account shall be credited with all income from
14 the investment of such moneys. The Treasurer may invest the
15 moneys in the several accounts the Fund in the same manner, in
16 the same types of investments, and subject to the same
17 limitations provided in the Illinois Pension Code for the
18 investment of pension funds other than those established under
19 Article 3 or 4 of the Code. Notwithstanding the foregoing, to
20 the extent necessary to preserve the tax-exempt status of any
21 bonds issued pursuant to the Railsplitter Tobacco Settlement
22 Authority Act, the interest on which is intended to be
23 excludable from the gross income of the owners for federal
24 income tax purposes, moneys on deposit in the Tobacco
25 Settlement Bond Proceeds Account and the Tobacco Settlement
26 Residual Account may be invested in obligations the interest

1 upon which is tax-exempt under the provisions of Section 103 of
2 the Internal Revenue Code of 1986, as now or hereafter amended,
3 or any successor code or provision.

4 (b) Moneys on deposit in the Tobacco Settlement Bond
5 Proceeds Account and the Tobacco Settlement Residual Account
6 may be expended, subject to appropriation, for the purposes
7 authorized in subsection (g) of Section 3-6 ~~Section 6(g)~~ of the
8 Railsplitter Tobacco Settlement Authority Act.

9 (c) As soon as may be practical after June 30, 2001 and
10 until an initial transfer has been made to the Budget
11 Stabilization Fund under subsection (b) of Section 15 of the
12 Budget Stabilization Act as amended by this amendatory Act of
13 the 99th General Assembly, upon notification from and at the
14 direction of the Governor, the State Comptroller shall direct
15 and the State Treasurer shall transfer the unencumbered balance
16 in the Tobacco Settlement Recovery Fund as of June 30, 2001, as
17 determined by the Governor, into the Budget Stabilization Fund.
18 The Treasurer may invest the moneys in the Budget Stabilization
19 Fund in the same manner, in the same types of investments, and
20 subject to the same limitations provided in the Illinois
21 Pension Code for the investment of pension funds other than
22 those established under Article 3 or 4 of the Code.

23 (d) All federal financial participation moneys received
24 pursuant to expenditures from the Fund shall be deposited into
25 the General Account.

26 (Source: P.A. 96-958, eff. 7-1-10; 97-72, eff. 7-1-11; revised

1 12-1-14.)

2 (30 ILCS 105/6z-51)

3 Sec. 6z-51. Budget Stabilization Fund.

4 (a) The Budget Stabilization Fund, a special fund in the
5 State Treasury, shall consist of moneys appropriated or
6 transferred to that Fund, as provided in Section 6z-43 and as
7 otherwise provided by law. All earnings on Budget Stabilization
8 Fund investments shall be deposited into that Fund.

9 (b) Until an initial transfer has been made to the Budget
10 Stabilization Fund under subsection (b) of Section 15 of the
11 Budget Stabilization Act as amended by this amendatory Act of
12 the 99th General Assembly, the ~~The~~ State Comptroller may direct
13 the State Treasurer to transfer moneys from the Budget
14 Stabilization Fund to the General Revenue Fund in order to meet
15 cash flow deficits resulting from timing variations between
16 disbursements and the receipt of funds within a fiscal year.
17 Any moneys so borrowed in any fiscal year other than Fiscal
18 Year 2011 shall be repaid by June 30 of the fiscal year in
19 which they were borrowed. Any moneys so borrowed in Fiscal Year
20 2011 shall be repaid no later than July 15, 2011.

21 (Source: P.A. 97-44, eff. 6-28-11.)

22 Section 10. The Budget Stabilization Act is amended by
23 changing Sections 15 and 20 as follows:

1 (30 ILCS 122/15)

2 Sec. 15. Transfers to Budget Stabilization Fund. In
3 furtherance of the State's objective for the Budget
4 Stabilization Fund to have resources representing 5% of the
5 State's annual general funds revenues:

6 (a) On January 10, 2016 and each January 10 thereafter, the
7 Department on Aging, the Department of Healthcare and Family
8 Services, and the Department of Human Services shall certify to
9 the Comptroller the amount of invoices that may be paid from
10 appropriations in future fiscal years resulting from
11 insufficient appropriations in the current fiscal year. In
12 addition, the Department of Central Management Services shall
13 certify the amount of invoices that may be paid from
14 appropriations in future fiscal years due to insufficient
15 resources in the Health Insurance Reserve Fund, and the
16 Department of Revenue shall certify an estimate of the amount
17 of individual and corporate income tax overpayments that will
18 not be refunded before the close of the current fiscal year
19 resulting from insufficient deposits into the Income Tax Refund
20 Fund. On January 15, 2016 and each January 15 thereafter, the
21 Comptroller shall issue a report to the Governor and the
22 General Assembly detailing the total value of the amounts
23 certified by the Department on Aging and the Departments of
24 Central Management Services, Healthcare and Family Services,
25 Human Services, and Revenue. The report shall also include the
26 accounts payable with the Comptroller at the close of business

1 ~~on December 31, 2015 and each December 31 thereafter. For each~~
2 ~~fiscal year when the General Assembly's appropriations and~~
3 ~~transfers or diversions as required by law from general funds~~
4 ~~do not exceed 99% of the estimated general funds revenues~~
5 ~~pursuant to subsection (a) of Section 10, the Comptroller shall~~
6 ~~transfer from the General Revenue Fund as provided by this~~
7 ~~Section a total amount equal to 0.5% of the estimated general~~
8 ~~funds revenues to the Budget Stabilization Fund.~~

9 (b) If the amount of accounts payable reported by the
10 Comptroller is an amount less than \$3,400,000,000, on the last
11 day of each month of the next fiscal year or as soon thereafter
12 as possible, the Comptroller shall order transferred and the
13 Treasurer shall transfer from the General Revenue Fund to the
14 Budget Stabilization Fund the lesser of (i) \$400,000,000 or
15 (ii) the amount necessary to maintain resources in the Budget
16 Stabilization Fund that is equal to 5% of the total general
17 funds revenues of the prior fiscal year, in equal monthly
18 installments. Nothing in this Act prohibits the General
19 Assembly from appropriating additional moneys into the Budget
20 Stabilization Fund; however, transfers or appropriations shall
21 only be made from the Budget Stabilization Fund under
22 subsection (d) of this Section. ~~For each fiscal year when the~~
23 ~~General Assembly's appropriations and transfers or diversions~~
24 ~~as required by law from general funds do not exceed 98% of the~~
25 ~~estimated general funds revenues pursuant to subsection (b) of~~
26 ~~Section 10, the Comptroller shall transfer from the General~~

1 ~~Revenue Fund as provided by this Section a total amount equal~~
2 ~~to 1% of the estimated general funds revenues to the Budget~~
3 ~~Stabilization Fund.~~

4 (c) ~~The Comptroller shall transfer 1/12 of the total amount~~
5 ~~to be transferred each fiscal year under this Section into the~~
6 ~~Budget Stabilization Fund on the first day of each month of~~
7 ~~that fiscal year or as soon thereafter as possible.~~ The balance
8 of the Budget Stabilization Fund shall not exceed 5% of the
9 total of general funds revenues estimated for that fiscal year.
10 If the balance of the Budget Stabilization Fund is equal to 5%
11 of the total general funds revenues of the prior fiscal year,
12 no further transfers shall be made to the Budget Stabilization
13 Fund. However, if the amounts certified to the Comptroller that
14 may be paid from future fiscal year resources by the Department
15 on Aging and the Departments of Central Management Services,
16 Healthcare and Family Services, Human Services, and Revenue
17 exceed zero, the Comptroller shall order transferred and the
18 Treasurer shall transfer from the General Revenue Fund to the
19 Health Insurance Reserve Fund, the Health Care Provider Relief
20 Fund, or the Income Tax Refund Fund an amount necessary to
21 reduce those amounts to zero, but not to exceed a monthly
22 aggregate of \$33,333,333. ~~except as provided by subsection (d)~~
23 ~~of this Section.~~

24 (d) Upon written notice from the Governor to the Clerk of
25 the House of Representatives, the Secretary of the Senate, and
26 the Secretary of State pursuant to Section 1.1 of the Short

1 Term Borrowing Act, the Comptroller may cease the order of any
2 further transfers to the Budget Stabilization Fund and may
3 order the transfer and the Treasurer shall transfer from the
4 Budget Stabilization Fund to the General Revenue Fund an amount
5 deemed necessary to maintain the State's accounts payable to an
6 amount below \$3,400,000,000. In the event that such written
7 notice has been provided, the General Assembly may make
8 transfers or appropriations from the Budget Stabilization Fund
9 for the upcoming fiscal year as necessary to provide for the
10 health, safety, and welfare of the people of the State of
11 Illinois. If the balance of the Budget Stabilization Fund
12 exceeds 5% of the total general funds revenues estimated for
13 that fiscal year, the additional transfers are not required
14 unless there are outstanding liabilities under Section 25 of
15 the State Finance Act from prior fiscal years. If there are
16 such outstanding Section 25 liabilities, then the Comptroller
17 shall continue to transfer 1/12 of the total amount identified
18 for transfer to the Budget Stabilization Fund on the first day
19 of each month of that fiscal year or as soon thereafter as
20 possible to be reserved for those Section 25 liabilities.
21 Nothing in this Act prohibits the General Assembly from
22 appropriating additional moneys into the Budget Stabilization
23 Fund.

24 (e) On or before August 31 of each fiscal year, the amount
25 determined to be transferred to the Budget Stabilization Fund
26 shall be reconciled to actual general funds revenues for that

1 fiscal year. The final transfer for each fiscal year shall be
2 adjusted so that the total amount transferred under this
3 Section is equal to the amount ~~percentage~~ specified in
4 subsection ~~(a) or~~ (b) of this Section, as applicable, based on
5 actual general funds revenues calculated consistently with
6 subsection (c) of Section 10 of this Act for each fiscal year.

7 (f) For the fiscal year beginning July 1, 2006 and for each
8 fiscal year thereafter, the budget proposal to the General
9 Assembly shall identify liabilities incurred in a prior fiscal
10 year under Section 25 of the State Finance Act and the budget
11 proposal shall provide funding as allowable pursuant to
12 subsection (d) of this Section, if applicable.

13 (Source: P.A. 93-660, eff. 7-1-04; 94-839, eff. 6-6-06.)

14 (30 ILCS 122/20)

15 Sec. 20. Pension Stabilization Fund.

16 (a) The Pension Stabilization Fund is hereby created as a
17 special fund in the State treasury. Moneys in the fund shall be
18 used for the sole purpose of making payments to the designated
19 retirement systems as provided in Section 25.

20 (b) For each fiscal year ~~through State fiscal year 2014,~~
21 when the General Assembly's appropriations and transfers or
22 diversions as required by law from general funds do not exceed
23 99% of the estimated general funds revenues pursuant to
24 subsection (a) of Section 10, the Comptroller shall transfer
25 from the General Revenue Fund as provided by this Section a

1 total amount equal to 1.0% ~~0.5%~~ of the estimated general funds
2 revenues to the Pension Stabilization Fund.

3 (c) For each fiscal year ~~through State fiscal year 2014,~~
4 when the General Assembly's appropriations and transfers or
5 diversions as required by law from general funds do not exceed
6 98% of the estimated general funds revenues pursuant to
7 subsection (b) of Section 10, the Comptroller shall transfer
8 from the General Revenue Fund as provided by this Section a
9 total amount equal to 2.0% ~~1.0%~~ of the estimated general funds
10 revenues to the Pension Stabilization Fund.

11 (c-5) In addition to any other amounts required to be
12 transferred under this Section, in State fiscal year 2016 and
13 each fiscal year thereafter through State fiscal year 2045, or
14 when each of the designated retirement systems, as defined in
15 Section 25, has achieved 100% funding, whichever occurs first,
16 the State Comptroller shall order transferred and the State
17 Treasurer shall transfer from the General Revenue Fund to the
18 Pension Stabilization Fund an amount equal to 10% of (1) the
19 sum of the amounts certified by the designated retirement
20 systems under subsection (a-5) of Section 2-134, subsection
21 (a-10) of Section 14-135.08, subsection (a-10) of Section
22 15-165, and subsection (a-10) of Section 16-158 of this Code
23 for that fiscal year minus (2) the sum of (i) the transfer
24 required under subsection (c-10) of this Section for that
25 fiscal year and (ii) the sum of the required State
26 contributions certified by the retirement systems under

1 subsection (a) of Section 2-134, subsection (a-5) of Section
2 14-135.08, subsection (a-5) of Section 15-165, and subsection
3 (a-5) of Section 16-158 of this Code for that fiscal year. The
4 transferred amount is intended to represent one-tenth of the
5 annual savings to the State resulting from the enactment of
6 this amendatory Act of the 98th General Assembly.

7 (c-10) In State fiscal year 2019, the State Comptroller
8 shall order transferred and the State Treasurer shall transfer
9 \$364,000,000 from the General Revenue Fund to the Pension
10 Stabilization Fund. In State fiscal year 2020 and each fiscal
11 year thereafter until terminated under subsection (c-15), the
12 State Comptroller shall order transferred and the State
13 Treasurer shall transfer \$1,000,000,000 from the General
14 Revenue Fund to the Pension Stabilization Fund.

15 (c-15) The transfers made beginning in State fiscal year
16 2020 pursuant to subsection (c-10) of this Section shall
17 terminate at the end of State fiscal year 2045 or when each of
18 the designated retirement systems, as defined in Section 25,
19 has achieved 100% funding, whichever occurs first.

20 (d) The Comptroller shall transfer 1/12 of the total amount
21 to be transferred each fiscal year under this Section into the
22 Pension Stabilization Fund on the first day of each month of
23 that fiscal year or as soon thereafter as possible; except that
24 the final transfer of the fiscal year shall be made as soon as
25 practical after the August 31 following the end of the fiscal
26 year.

1 Before ~~Until State fiscal year 2015, before~~ the final
2 transfer for a fiscal year is made, the Comptroller shall
3 reconcile the estimated general funds revenues used in
4 calculating the other transfers under this Section for that
5 fiscal year with the actual general funds revenues for that
6 fiscal year. The final transfer for the fiscal year shall be
7 adjusted so that the total amount transferred under this
8 Section for that fiscal year is equal to the percentage
9 specified in subsection (b) or (c) of this Section, whichever
10 is applicable, of the actual general funds revenues for that
11 fiscal year. The actual general funds revenues for the fiscal
12 year shall be calculated in a manner consistent with subsection
13 (c) of Section 10 of this Act.

14 (Source: P.A. 98-599, eff. 6-1-14.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.

- 1 INDEX
- 2 Statutes amended in order of appearance
- 3 See Index